



**U.S. Immigration
and Customs
Enforcement**

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News Release

Third guilty plea in racketeering enterprise that funded Hezbollah

DETROIT — A Dearborn Heights man pleaded guilty today to charges of conspiracy to violate the Racketeer Influenced and Corrupt Organizations Act (RICO), U.S. Attorney Stephen J. Murphy announced today.

Youssef Aoun Bakri, 36, pleaded guilty in U.S. District Court before U.S. District Judge Gerald E. Rosen. The indictment charged Bakri and other defendants with: operating a criminal enterprise to traffic in contraband cigarettes and counterfeit goods, producing counterfeit cigarette tax stamps, and laundering money. Some of the profits made from the illegal enterprise were given to Hezbollah, a designated foreign terrorist organization (DFTO), according to the indictment. Bakri faces maximum penalties of 20 years in prison and a \$250,000 fine. Two other defendants, Imad Majed Hamadeh, 51, of Dearborn Heights and Theodore Schenk, 73, of Miami Beach, Fla., have already entered guilty pleas to the indictment.

U.S. Attorney Murphy was joined in the announcement by other leaders of the investigating law enforcement agencies, including: Daniel D. Roberts, special agent in charge of the Detroit FBI; Valerie J. Goddard, special agent in charge, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); Brian M. Moskowitz, special agent in charge, U.S. Immigration and Customs Enforcement (ICE); Maurice Aouate, special agent in charge of the Detroit Field Office of the Internal Revenue Service (IRS), Criminal Investigation; and Michael Cleary, special agent in charge, Food and Drug Administration (FDA), Office of Criminal Investigation.

“Fighting terrorism and keeping our citizens safe from its reach, is the Department of Justice’s number-one priority. Raising money for designated terrorist organizations, like Hezbollah, is a serious crime which will be vigorously pursued in the Eastern District of Michigan,” U.S. Attorney Murphy said. “Together, we will use all of the legal tools available to us to disrupt criminal activity that funds terrorist organizations.”

According to Brian M. Moskowitz, special agent in charge of the ICE Office of Investigations in Detroit, "ICE will continue to work with other law enforcement agencies to dismantle criminal organizations. Racketeering is a serious crime, and ICE will continue to investigate those who exploit our borders to facilitate their criminal enterprise."

The indictment charges that between 1996 and 2004, a group of individuals worked together in a criminal enterprise to traffic in contraband cigarettes, counterfeit Zig-Zag rolling papers and counterfeit Viagra, to produce counterfeit cigarette tax stamps, to transport stolen property, and to launder money. The enterprise operated from Lebanon, Canada, China, Brazil, Paraguay and the United States.

Also named in the indictment and awaiting Jan. 7 trial dates are: Karim Hassan Nasser, 37, of Windsor, Ontario; Fadi Mohamad-Musbah Hammoud, 33, of Dearborn, Mich.; Majid Mohamad Hammoud, 39, of Dearborn Heights; Jihad Hammoud, 47, of Dearborn; Ali Najib Berjaoui, 39, of Dearborn; Mohammed Fawzi Zeidan, 41, of Canton, Mich.; and Adel Isak, 37, of Sterling Heights, Mich. An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

Others charged in the indictment, who are currently wanted as fugitives and believed to have left the United States are: Imad Mohamad-Musbah Hammoud, 37 of Lebanon, formerly of Dearborn; Hassan Ali Al-Mosawi, 49, of Lebanon; Hassan Hassan Nasser, 36, of Windsor, Ontario; Ali Ahmad Hammoud, 64, of Lebanon; Karim Hassan Abbas, 37, formerly of Dearborn; Hassan Mohamad Srouf, 30, of Montreal, Quebec; Naji Hassan Alawie, 44, of Windsor, Ontario; and Abdel-Hamid Sinno, 52, of Montreal, Quebec.

The indictment alleges that Imad Hammoud, along with his partner, Hassan Makki, ran a multi-million dollar a year contraband cigarette-trafficking organization headquartered in the Dearborn, Mich., area between 1996 and 2002. Makki pleaded guilty in 2003 in federal district court in Detroit to racketeering and providing material support to Hezbollah. Some of the cigarettes were supplied to the organization by Mohamad Hammoud, who was convicted in 2002 in federal district court in Charlotte, N.C., of, among other crimes, racketeering and providing material support to Hezbollah. Makki and Mohamad Hammoud, who were not charged in the indictment, were identified as un-indicted co-conspirators. They both are currently serving prison sentences in related cases for their activities in this matter.

The indictment charges that the group would obtain low-taxed or untaxed cigarettes in North Carolina and the Cattaraugus Indian Reservation in New York and bring them into Michigan and the State of New York for the purpose of evading tens of millions in state cigarette taxes. The enterprise obtained large profits by reselling the cigarettes at market prices in Michigan and New York. The enterprise sometimes used counterfeit tax stamps to make it appear as though state taxes had been paid.

The indictment additionally charges that portions of the profits made from the illegal enterprise were forwarded to Hezbollah. Some members of the enterprise charged a "Resistance Tax," a set amount over black-market price per carton of contraband cigarettes which their customers were told would be going to Hezbollah. Some members of the enterprise also solicited money from cigarette customers for the "orphans of martyrs" program run by Hezbollah in Southern Lebanon to support the families of persons killed in Hezbollah suicide and other terrorist operations.

The U.S. Secretary of State has designated Hezbollah a foreign terrorist organization. An entity may be designated as a foreign terrorist organization if the Secretary of State finds that: (1) the organization is a foreign organization; (2) the organization engages in terrorist activity; and (3) the terrorist activity of the organization threatens the security of U.S. nationals or the national security of the United States.

In announcing the indictment, U.S. Attorney Stephen J. Murphy commended the work of the FBI, the ATF, ICE, the IRS, the FDA, Michigan State Police, and the Dearborn Police Department.

Assistant U.S. Attorneys Kenneth Chadwell and Barbara McQuade prosecuted this case.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.